

CONFIDENTIAL

Quarterly Report to Auckland Council for the Quarter Ended 30 September 2015

Recommendations

That the Board:

- i. Approves this Quarterly Report for submission to Auckland Council (Attachment 1).
- ii. Agrees to make this report public after it has been received by Auckland Council.

Executive Summary


AC requires AT to deliver, no later than eight weeks after the end of the First Quarter of each financial year, a report against the performance targets set out in AT's Statement of Intent (SOI). The report, included as Attachment 1, provides an overview of AT's performance against the SOI during this period.

Attachment

Number	Description
1	AT Quarterly Report to AC for the quarter ended 30 September 2015

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Document ownership

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Auckland Transport Quarterly Report

Quarter ended 30 September 2015

CCO Governance and Monitoring Committee



Double decker buses to boost public transport

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1.Executive summary

Key Achievements for the Quarter

Auckland Transport (AT) successfully progressed a number of significant projects during the quarter. These include:

- AT Metro 12 month rolling patronage record passed the 80 million mark in August
- electric train roll-out completed
- CRL's Notice of Requirement (NoR) confirmed
- train services record performance on the network (97.6% punctuality and 99.2% reliability on 7 September 2015)
- Beach Road Cycleway Stage 2 opened to the public
- Swanson Station's new park and ride carpark with eco-rain gardens opened to the public
- fifty-three new double decker buses ordered by operators.

Financial Performance

AT's net surplus before tax for the quarter ended 30 September 2015 was \$26.8 million. This is \$53.7 million lower than the budget of \$80.5 million. The variance is mainly due to \$27.1 million lower AC capital funding and \$25.0 million vested asset revenue not received during the quarter. AC's capital funding is lower as a result of capital expenditure being below budget. The short-fall of vested asset revenue is offset by the saving in vested asset expenditure. Operating expenditure is on budget. A mid-year budget re-alignment will be completed to assess the organisation's ability to absorb some additional cost since the budget was set.

Capital expenditure excluding vested assets was \$92.0 million against a budget of \$133.0 million. The variance is mainly due to underspend in ring-fenced projects such as Electric Trains, CRL and Local Residential Growth Fund. The expenditure is expected to catch-up in the coming months.

Non-Financial Performance

There are 29 non-financial performance measures covered by the Statement of Intent (SOI). Of the 29, 6 are on target to **exceed** the performance measure, 17 are on target to **meet** the performance measure, 2 are **not on target** to meet the performance measure, and 4 are annual measures.

Highlights in terms of performance are:

- AT Metro 12 month rolling patronage passed the 80 million mark in August with rail services exceeding 14 million.
- Train services record performance on the network (97.6% punctuality and 99.2% reliability and only 4 cancellations out of 500).
- Public transport customer satisfaction increased by 3% compared to the September 2014 quarter result.
- Road safety satisfaction increased by 2% compared to the September 2014 result.

Performance not on target to meet performance measures are:

- Annual number of cycling trips in designated areas in Auckland. This year's aggregate will be affected by an unusually cold winter and road works affecting some counting points. In order to offset these factors, the Spring Cycle programme is now underway with a range of events and campaigns to encourage people to get back on their bikes. Completion of new cycleways at Beach Road, Quay Street, Nelson Street and the Upper Harbour Drive Cycleway, is expected to increase the number of cycling trips.
- Reduction in the number of deaths and serious injury crashes on the local road network. There were 454 deaths and serious injuries on the local road network in the 12 months to July 2015. The SOI target is to reduce this to 390 during 2015/16. In response, the current safety measures including education targeted at high risk groups (pedestrians, cyclists, motorcyclists, young drivers and alcohol) and engineering solutions will continue. AT has also been supporting the NZ Police's targeted enforcement initiatives with education and awareness campaigns. Major improvements are underway at two of New Zealand's top 100 high risk intersections.

Risk Management

AT's risk management process follows the joint Australian/New Zealand International Standard AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines. All AT risks are analysed using the guideline. The AT Board leads the risk management process. Key risks are monitored and reported to Senior Management and the Finance and Risk Committee regularly.

Internal Audits are undertaken in line with the standards promulgated by the Institute of Internal Auditors. All review findings and recommendations are reported to Senior Management and the Finance and Risk Committee.

Prior Audit NZ recommendations - Of the ten recommendations from the prior year interim audit and review engagement report to the Board, six have been resolved with Audit NZ. Of the remaining four, one is with Audit NZ technical awaiting confirmation of a proposed solution, one we are in discussion with Audit NZ to find a practical solution, one FRC and Management consider the current policy is adequate, and one is under continual review and improvement

2.Strategic issues and focus areas

In line with our strategic themes, AT has progressed the following projects over the quarter to 30 September 2015:

Strategic themes:

- Prioritise rapid, high frequency public transport
- Transform and elevate customer experience
- Build network optimisation and resilience
- Ensure sustainable funding model
- Develop creative, adaptive, innovative implementation

- **CRL** - Project is gathering momentum with reference design, enabling works detailed design, property purchase and consenting process. Notice of Requirement (NoR) was confirmed. Pipe Jack resource consent was granted. Britomart to Wyndham Street resource consent hearing concluded and decision reached (currently in appeals period). Enabling Works detailed design scope continues to make progress (Contract 2 substantially complete).
- **North West Transformation** - The Fred Taylor Drive Widening Stage 1 project was completed in September. NZ Transport Agency has announced it is investigating the feasibility of providing a motorway interchange at Northside Drive. The Northside Drive East construction has been put on hold pending the outcome of the Agency's investigation. A study is underway to determine what roading connections are needed from Fred Taylor Drive to serve the SHA development at Redhills and the Fred Taylor Drive Widening Stage 2 project has been put on hold pending the outcome of the study.
- **Te Atatu Road upgrade** - A Dawn Blessing service was held on 13 August 2015 for the site. Enabling works have now commenced on Edmonton Road. This is preparation work for the relocation of underground services. Construction yards are currently being set up on Te Atatu Road and adjacent to the NZ Transport Agency Causeway construction yard. Traffic passing through the site has been lighter than expected. This is probably due to effective communication with the general public who are finding alternatives to using Te Atatu Road.
- **Beach Road Cycle Route Stage 2** - Mayor Len Brown and Auckland Central MP, Nikki Kaye, officially opened stage 2 of the Beach Rd Cycleway on 18 September 2015. The Beach Rd Cycleway connects Grafton Gully Cycleway with Quay St creating a continuous cycle route from west Auckland to the waterfront via the Northwestern Cycleway.

- **New network and facility improvements**
 - **South Auckland new network-** Tenders closed on 28 September 2015 for Request for Tender (RFT) for eight South Auckland bus PTOM contracts for on-the-ground commencement of services in late-2016.
 - **Hibiscus Coast new network-** Public information and promotional collateral has been launched into the market in advance of the implementation of the new network bus service from 18 October 2015. All bus services will be changing on this date and the Northern Express frequent service will be extended from Albany to an enhanced park and ride at Silverdale.
 - **West Auckland new network-** Tender documentation for RFT release later in 2015 is progressing.
 - **North Shore new network-** Consultation feedback analysis and potential changes to the consultation service plan is progressing.
 - **Beachland/Maraetai-** Planning is underway for a community engagement (first stage of two-stage consultation phase) to be held in October 2015.
- **Public transport integrated fares**
 - Received funding approval from NZ Transport Agency for the development of integrated fares.
 - Solution development by Thales France continues, with software delivery to NZ due in October 2015 with handover to AT for testing pre-Christmas. The project will go-live mid-2016.
 - AT Board approved the variation to the 2013 Regional Public Transport Plan to accommodate the proposed zonal integrated fares along with other public transport policy changes.
- **Public Transport Operating Model (PTOM)**
 - **Train-** RFT has been placed on hold subject to outcomes from the Auckland Transport Alignment Program (ATAP).
 - **Bus-** Bus PTOM Participation Agreements have been signed by all incumbent bus operators. The Participation Agreement establishes the Units (service groupings within a contract) that will be tendered or negotiated. The new PTOM contracts will implement the new connected and integrated bus service network – the New Network. Eight PTOM contracts for South Auckland and Pukekohe New Network bus services were released for tender on 17 August 2015. These will be the first tenders called under the new PTOM system and the first PTOM tenders called to create the New Network. This is the first of three major procurement rounds that move to a fully contracted bus system in Auckland, moving from the current mix of contracted and non-contracted / deregulated services.
 - **Ferry-** The RFT and contract are being finalised for submission to NZ Transport Agency for approval. Tenders for eight contracted ferry service routes are targeted for later in 2015.
- **Travel planning initiatives**
 - The focus this quarter was the development of a campaign to promote travel choice which launched on 28 September 2015. The campaign is being promoted online at www.at.govt.nz/findnewlove. The campaign acknowledges that the car has an important role to play, for example at weekends, through carpooling or even occasionally for work or study, but promotes options to try the train, bus, flexi work, cycling or walking where practical.

- **Route optimisation**

- Delivered the routine optimisation programme. This includes the review of 25% of the signalled intersection network to ensure signals are operating to the outcomes of the network operating plan in providing expected levels of service to transport users.
- A Dynamic Lane Management trial is being progressed this year. Feasibility Investigation completed this quarter and Whangaparaoa Road (between Hibiscus Coast Highway and Red Beach Road) has been selected as the trial site. Design work commenced on options for implementation.

3.Highlights for the last quarter

- **Electric Trains and Rail Electrification** - Full network-wide electric train services have been successfully operating since 20 July 2015 together with Papakura to Pukekohe return shuttles that now utilise ADL class DMUs.
- **City Rail Link** - NoR Environment Court reached a decision and the NoR was confirmed. Albert Street Pipe Jack works resource consent was granted. Britomart to Wyndham resource consent confirmed (currently in appeals period).
- **North West Transformation** - Fred Taylor Drive Widening Stage 1 completed.
- **Albany Highway Upgrade** - The first half of Days Bridge has been completed and deconstruction of the old bridge has commenced, which marks the half-way point for completion of this project. New traffic lanes and footpaths are now open on Albany Highway between Oakway Drive and Bush Road southbound. The project is on track for completion in December 2016.
- **Public transport patronage** - Public transport 12 month rolling patronage record passed the 80 million mark in August with rail services exceeding 14 million.
- **Train performance** - Train services record performance on the network. On September 7th recorded the best performance ever for a single business weekday, with 97.6% punctuality and 99.2% reliability and only 4 cancellations out of 500. Statistics also showed 100% service delivery and no cancellations on the Pukekohe Shuttle.
- **Swanson Station** - Swanson station's new park and ride carpark with eco-rain gardens opened on 6 July providing an additional 136 parking spaces.
- **Double decker buses** - 53 new double decker buses have been ordered by Howick & Eastern Buses, Ritchies and NZ Bus, under contract to AT. The first buses arrive in the next few weeks for testing with the new fleet targeted for full operation by mid-2016. A second vehicle was introduced to the Northern Express service in July by Ritchies.

4.Future outlook

- **City Rail Link** - It is intended that early works will start at the beginning of fourth quarter of 2015, along Albert Street. Some bus routes and stops are being moved to new locations away from these construction works and an information campaign will target bus users and motorists. New 24 hour bus lanes are also being installed.
- **AMETI** - Notice of Requirement and consent applications will be lodged for Stage 2A (busway between Panmure and Pakuranga). Endorsement of the AMETI delivery strategy. Design, consenting and property purchase activities for future stages.
- **Otahuhu Bus Train Interchange** - Main works to commence October, with the first rail block of line over Labour Weekend.
- **Manukau Bus Interchange** - Developed design commencing. Public open day to be held late October. Enabling works to commence January 2016.

- **Major Events** - AT will coordinate traffic management, including integrated ticketing for a number of major events in the coming months. These include Diwali Festival, Auckland Marathon and ITM 500.
- **Public Transport** – all indications are that public transport patronage growth across all modes will continue as reliability and punctuality also improves. Consultation will be undertaken on the ‘new network’ improvements in the central and eastern areas during October/November. Business cases are also being developed for the Northern Busway and additional station(s) along the proposed Northern Busway extension. Subject to commercial arrangements with providers free WiFi for customers will be trialled on the Gulf Harbour ferry and Northern Express bus services.
- **Auckland Transport Alignment Project** - AT will continue to play a key role in developing options and programme packages for this project.

5.Key deliverables

Progress for Key Projects/Activities from Last Quarter

Key project/activity	Status	Comments
CRL	On-going	<ul style="list-style-type: none"> • Notice of Requirement court decision reached. NoR Confirmed. • Britomart to Wyndham resource consent hearing concluded/decision reached. Consent confirmed.
North West Transformation (formerly NORSGA) -	Completed	<ul style="list-style-type: none"> • Fred Taylor Drive widening Stage 1 construction complete.
Otahuhu Bus Train Interchange	On-going	<ul style="list-style-type: none"> • Completion of detailed design July 2015. • Enabling works completion August 2015 • Tendering of main works close September 2015
Manukau Bus Interchange	On-going	<ul style="list-style-type: none"> • Concept design completed
Puhinui Station	On-going	<ul style="list-style-type: none"> • Construction of canopy ongoing

Planned Progress on Key Projects/Activities for Next Quarter




Key project/activity	Comments
Electric Trains	<ul style="list-style-type: none"> • All 57 Electric trains in service by October.
CRL	<ul style="list-style-type: none"> • Commence NoR Designation alterations packages • Detailed Design (Architecture and Engineering) completed for Enabling Works Contract 1 and 2 • Urban Detailed Design completed for Enabling Works contract 1 and 2.
AMETI- Stage 2A	<ul style="list-style-type: none"> • Lodge Notice of Requirement in October
Otahuhu Bus Train Interchange	<ul style="list-style-type: none"> • Main works construction underway, with key rail blocks of line on Labour Weekend, 14-15 Nov and Christmas 2015.
Manukau Bus Interchange	<ul style="list-style-type: none"> • Developed design underway
Pukekohe Interchange	<ul style="list-style-type: none"> • Receive NZTA confirmation of funding and start detail design.






Nelson Street Cycleway

- Completion of Phase 1 construction of Cycleway on Nelson St between Union St and Victoria St, target date 20 Nov.
- Opening of Phase 1 of Nelson St Cycleway from Canada St to Victoria St, target early December. This includes the AT portion (Nelson St between Union St and Victoria St) and the NZTA portion including Canada St, new bridge across motorway and old Nelson St Off Ramp
- Finalise detail design of Phase 2 (north of Victoria St to Quay and Pitt St) based on outcomes of consultation which closed 5th Oct.

6. Financial performance

The following criteria has been used to rate the financial performance for this report:




Key	Criteria
	Target met or exceeded (100%+)
	Target substantially achieved (97.5%-99.9%)
	Target not achieved (0%-97.4%)







\$'m	Budget to date	Actual	Variance	Comment	Full year budget
<u>Operational</u>					
Revenue/ External funding	105.7	104.6		Additional revenue for AT Metro due to increased patronage.	419.7
AC funding	62.4	62.4			249.8
Expenditure excluding depreciation, amortisation	160.6	158.9			664.1
Depreciation and amortisation	75.2	76.5		Higher depreciation following Rail Station revaluation	310.9
Loss on derivatives	0.0	0.4			0.0












\$'m	Budget	Actual	Variance	Comment	Full year budget
<u>Capital</u>					
Expenditure excluding vested asset	133.2	92.1	●	The variance is mainly due to underspend ring-fenced projects such as Electric Trains, CRL and Local Residential Growth Fund. The expenditure is expected to catch-up in the coming months.	620.3
Vested asset expenditure	25.0	-	●	No vested assets were received for the first quarter. This offsets the vested asset revenue.	100.0
Vested asset revenue	25.0	-	●	See explanation above.	100.0
AC funding – subsidy	98.2	61.8	●	AC's capital funding is lower as a result of capital expenditure being below budget.	439.3
AC loan funding (Electric Trains)	10.0	5.7	●		10.0
External funding	25.0	24.6	●		171.0









7. Performance measures

The following criteria has been used to rate the performance for this report:

Key	Criteria
	On target to exceed performance measure (more than 2.5% above target)
	On target to meet performance measure (within +/- 2.5% of target)
	Not on target to meet performance measure (more than 2.5% below target)

Performance measure	SOI Target	On track	Last actual	Date of last measure
Strategic Theme - Prioritise rapid, high frequency public transport				
1. Total public transport boardings (millions)	84.47		80.44	Sep 2015
2. Boardings on rapid or frequent network (rail, busway, FTN bus)	Increase at faster rate than total boardings		3.2% growth compared to 1.5% total boardings growth	Sep 2015
Strategic Theme - Transform and elevate customer focus and experience				
3. Public transport punctuality (weighted average across all modes)	92%		September result: 95.8%	Sep 2015
4. Customer satisfaction index: Public transport	83%		84%	Sep 2015
5. Customer satisfaction index: Road quality	70%		70%	Sep 2015
6. Customer satisfaction index: Footpath quality	65%		64%	Sep 2015

Performance measure	SOI Target	On track	Last actual	Date of last measure
7. Customer satisfaction index: Road safety	60%		65%	Sep 2015
8. Change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Reduce by at least 9 (390)		12 month rolling total: 454	Sep 2015
9. Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames ¹	85%		August result: 90%	Aug 2015
Strategic Theme - Build network optimisation and resilience				
10. Arterial road productivity ²	54% of the ideal achieved		12 month rolling average: 55.7%	Sep 2015
Travel times on key freight routes (performance measures 11 to 20)				
11. SEART (from Sylvia Park to East Tamaki)	11		11	Sep 2015
12. SEART (from East Tamaki to Sylvia Park)	12		10	Sep 2015
13. Wairau Rd (from SH1 to SH18)	8		8	Sep 2015
14. Wairau Rd (from SH18 to SH1)	8		8	Sep 2015
15. Harris Rd (from East Tamaki to SH1 Highbrook interchange)	10		10	Sep 2015
16. Harris Rd (from SH1 Highbrook interchange to East Tamaki)	11		11	Sep 2015
17. Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (SH20 to Walmsley)	13		8	Sep 2015

Performance measure	SOI Target	On track	Last actual	Date of last measure
18. Kaka St/James Fletcher Dr/Favona Rd/Walmsley Rd (Walmsley to SH20)	13		7	Sep 2015
19. Great South Rd (SH1 Ellerslie Panmure Hwy Interchange to Portage Rd)	11		11	Sep 2015
20. Great South Rd (Portage Rd to SH1 Ellerslie Panmure Hwy Interchange)	11		11	Sep 2015
21. New cycle ways added to regional cycle network (km)	7.4 km		Jul-Sep delivery: 4.2 km	Sep 2015
22. Annual number of cycling trips in designated areas in Auckland (All day)	1.1 million (all day)		12 month rolling total: 918,479	Sep 2015
23. Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban roads	83		Annual measure	
24. Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all rural roads	93		Annual measure	
25. Percentage of the sealed local road network that is resurfaced	8%		Jul-Sep delivery: 0.8%	Sep 2015
26. Percentage of footpaths in acceptable condition (as defined in AT's AMP)	99%		Annual measure	
Strategic Theme - Ensure a sustainable funding model				
27. PT farebox recovery ³	46-48%		August result: 47.9%	Aug 2015
Strategic Theme - Develop creative, adaptive, innovative implementation				
28. Parking occupancy rates (peak 4-hour, on street) ⁴	70%-90%		August result: 89.5%	Aug 2015

Performance measure	SOI Target	On track	Last actual	Date of last measure
29. No. of car trips avoided through travel planning initiatives	17,500		Annual measure	

¹ As defined in AT's customer service standards: 2 days for incident investigation as a high priority; 3 days for an incident investigation as a normal priority; 1 hour emergency response time.

² Road productivity is a measure of the efficiency of the road in moving people during the peak hour. It is measured as the product of number of vehicles, their average journey speed and average vehicular occupancy. Key arterial routes include:

- Airport to CBD (via Manukau Rd)
- St Lukes to St Johns (via Balmoral/Greenlane West/Greenlane East/Remuera Rd)
- Albany to Birkenhead (via Glenfield Rd)
- Henderson to CBD (via Great North Rd)
- SH1 to Ti Rakau Dr (via Te Irirangi Dr)
- SH20 to Portage Rd (via Tiverton/Wolverton Rd)

³ Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.

⁴ 4-hour peak period is defined as the top 4 busiest hours of the day. These hours are not often coincidental and can vary depending on contributing factors. On-street parking occupancy is surveyed once a quarter in 3 central city parking zone precincts: Shortland/High Streets, K Road & Wynyard Qtr.

8. Contribution to Māori outcomes

Auckland Transport is contributing to Te Toa Takitini Auckland Council's Māori transformational shift programme, designed to improve Māori wellbeing across Tāmaki Makaurau (Auckland). This includes giving effect to kaitiakitanga, marae development and papakainga development in Whai Tiaki (cultural wellbeing area). Contributions are also being made to Whai Painga (social wellbeing) including the road safety programme, and Whai Rawa Māori economic wellbeing.

AT's Statement of Intent 2015/16-2018/19 demonstrates its commitment to Māori responsiveness. AT will continue to engage with mana whenua on major transport infrastructure projects using Te Aranga Māori urban design principles, including te reo Māori and signage, and utilising AT's Māori Engagement Framework (which includes Māori Value assessments) across the following activity classes.

Activity classes	Jul-Sep 2015 Spend \$	How it contributes to Māori outcomes / Progress (July to September 2015)
Roads and footpaths		
AMETI	5,000	Monthly meetings continue to be held with mana whenua on the project. Stage 1 Koiwi re-interment investigation, is now engaging with the Tupuna Taonga o Tāmaki Makaurau Trust for maunga reburial authorisation. Midden material was reburied at Te Waipuna Rangiatea (Van Dammes Lagoon) led by mana whenua. NOR application documentation for Stage 2A well in advanced. The Cultural Value Assessment (CVA) of Māori Values Assessments (MVAs) from mana whenua on Mokoia Pā was completed by a Māori legal specialist. Mitigation discussions are progressing with mana whenua. Archaeological assessment and geotechnical works are to be advanced, requiring mana whenua consent. Application copies will be provided to mana whenua on completion.
East West and Mill Road	6,000	Council hearing on Mill Road commenced in August and was adjourned. A Māori specialist presented the Cultural Values Assessment at the hearing. Council recommendations are expected in September/October. Mill Road is route protected with only indicative plans so consultation will be on-going. Mana whenua will play an important role in preparing plans/details as directed by the designation conditions. Meeting to update mana whenua to be held shortly.
Glenvar Ridge Road	19,000	The Ministry of Education and AT are working jointly on engagement matters for Glenvar Ridge Road. Protocols for discovery of taonga-koiwi and cultural monitoring were established for archaeological works and landscape matters. Boffa Miskell was engaged to assist with Te Aranga Māori Urban Design matrix development with mana whenua on landscape/planting aspects.

Activity classes	Jul-Sep 2015 Spend \$	How it contributes to Māori outcomes / Progress (July to September 2015)
Walking and Cycling (Glen Innes to Tāmaki Drive)	4,000	Monthly hui are held between the project team and mana whenua, with a focus on Te Aranga Māori Urban Design throughout all sections of the project. Section 1 of the project works requires a geo-technical consent. The project team has asked for mana whenua to consider a waiver of the Cultural Impact Assessment, until the submission of section 2, 3 and 4 consents. Kaitiaki have negotiated a methodology to monitor the geotech investigation works for section 1. There will be a dawn karakia & turning of the sod on the 21 October to begin works, led by mana whenua.
New Lynn to Waterview Shared Path	9,000	A Māori Urban Design specialist was engaged to assist in Te Aranga application for bridge design, regular monthly hui are being held. Karakia lead by mana whenua was held in conjunction with NZTA.
Public Transport/ Other Public Transport		
City Rail Link	25,000	Regular monthly hui are being held with a focus on Māori Urban Design for the new station design, and consenting requirements.
Otāhuhu Bus Interchange	7,000	A Māori Urban Design specialist was engaged for design workshops with mana whenua and applying Te Aranga Māori Urban Design principles. A mana whenua artist has been appointed to provide mana whenua artworks. Resource consent for build lodged, to start works in late October.
Parnell Station	15,000	Cultural monitoring on earthworks at Parnell Station was undertaken, led by Ngāti Whātua o Ōrākei on behalf of other mana whenua. A Māori Urban Design specialist was appointed for the project. Mana whenua visited Pukekohe station to view the refurbishment of the buildings and cultural design elements. A workshop on cultural design was held in August, and a further workshop is planned once final layout of building and timetable is finalised.
Māori Wardens	152,000	Māori Wardens provide a customer service role on some train services particularly in the evenings, and for special events. This is met through a contract between AT and TransDev.
Public Transport (incl. Newmarket Level Crossing, Half Moon Bay Ferry Terminal, Manukau Bus	6,000	Māori Urban Design specialist engaged to assist in Te Aranga application of Half Moon Bay Ferry terminal, design of wharf and bus station discussion on site being discussed jointly. Regularly monthly hui are being held.

Activity classes	Jul-Sep 2015 Spend \$	How it contributes to Māori outcomes / Progress (July to September 2015)
Interchange		
Road Safety	17,000	Auckland Transport has been working with the NZ Police and NZTA on a strategic road safety programme to reduce the high level of Māori road deaths in the Auckland region. A pilot Ready for the Road Course was held at Ruapotaka marae (Glen Innes) for at risk Māori youth, with the Police providing referrals. The programme promoted responsible and safe road use, and mentored participants to sitting their learner licence. Kaumātua at the marae provided manaaki/support to the participants and their whānau. All participants passed their learners license at the conclusion of the course.
Communications	32,000	<p>A te reo Māori digital app was launched on Monday 27 July 2015, during te wiki o te reo Māori (Māori language week) that tells the story of a whānau who travel by train from Pukekohe to the Dick Smith NRL Auckland Nines at Eden Park. Along the route the whānau tell stories of the Māori history of Auckland, including dual names for train stops. Designed primarily for children at kura (Māori schools), the App is available on iTunes and Google play, and was a collaborative effort between AT, Kiwa Digital, Pukekohe North School, ATEED, Duco Events and Dick Smith Auckland NRL Nines.</p> <p>Effort in this quarter is focused on implementing the App into kura (Māori schools) in Auckland and mainstream schools through teaching notes and activities.</p> <p>The App is entered in Te Taura Whiri Māori Language Awards for 2015 (Māori Language Commission awards).</p>
TOTAL	\$305,000	

9. Key Local Board issues

Local Boards were provided with detailed programmes of transport activities specific to their areas in September 2015. This information was able to be presented as a comprehensive set of maps for the first time and this form of presentation was particularly well received by all the Local Boards.

The Local Board Transport Capital Fund expenditure is continuing to improve, with most boards being well on track to spend all of their allocated funds. However, a small number of local boards are currently significantly underspent, despite AT's best endeavours to support their decision making in this area.

AT continues to have a productive working relationship with almost all Local Boards. AT's Relationship Managers work very closely with all Local Boards to provide a response to concerns and issues that is tailored to meet local needs and modes of operating.

10. Risk Management

- **How AT identifies, assesses and manages risks.**

The risk management process adopted by AT follows the joint Australian/New Zealand International Standard AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines.

The AT Board leads the risk management process. Key risks are monitored and reported to the Finance and Risk Committee regularly.

No risks have been identified that are of a senior management or governance level that could impact on the well-being or reputation of the Council Controlled Organisation or Auckland Council.

- **Progress on current internal and external audit issues**

Progress on planned internal audit work

The audit topics contained within the 2015/16 internal audit plan are being carried out in line with expectations. A number of special investigations (i.e. unplanned work) are also in progress or have been completed.

External audit

Audit NZ issued an unmodified audit opinion on 25 August 2015. This means they are satisfied that the financial statements and statement of service performance fairly presents AT's activity for the year and its financial position at the end of the year (30 June 2015).

A draft management report has been received which contains ten recommendations, one is considered urgent. The final report is going to the AT FRC meeting on 9 November. Full details on recommendations and actions will be reported in the next quarter's report.

Group financial impacts

AT is unaware of any financial impacts that would affect the group. No changes have been made in the quarter (i.e. 30 September 2015 quarter) to the approaches taken to risk management, internal audit, or external audit.